

CA20N  
CI30  
- A56

Government  
Publications

SCIENCE  
NORTH



SCIENCE  
NORD

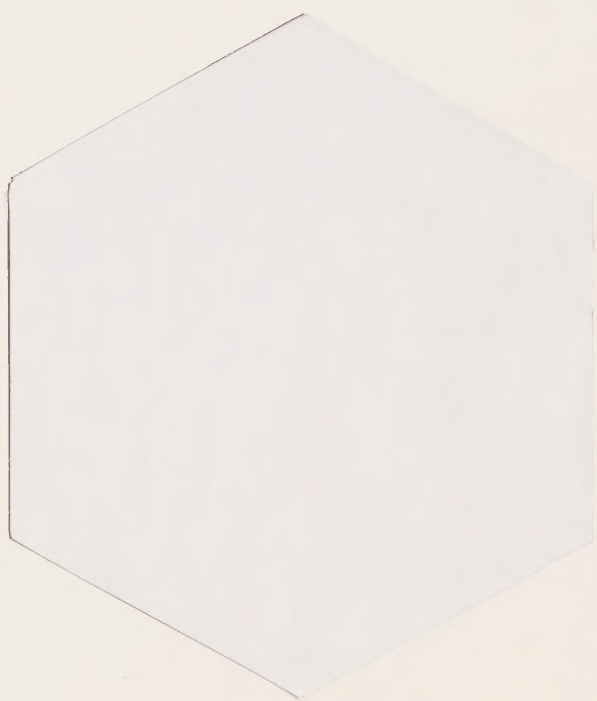


SCIENCE  
NORTH



SCIENCE  
NORD

Annual Report  
1998 - 1999





## Contents


Mission Statement & Strategic Vision .....	1
Fast Facts .....	2
Letter from the Chair .....	3
Report from the Chief Executive Officer .....	4
Changing Exhibits, Labs & Theatres .....	5
Great Science Events .....	6
School & Workshop Programs .....	7
Great Dining Options .....	7
More Family Entertainment.....	8
Great Large Format Films .....	8
Great Science Product Sales .....	9
A Financially Stable Business .....	9
A Brand Identity.....	10
Great People.....	10
Board of Trustees & Committees.....	11
Science North Staff .....	12
Audited Financial Statements .....	13 - 21



**Annual Report  
1998 - 1999**

100 Ramsey Lake Road, Sudbury, Ontario  
P3E 5S9  
705-522-3701  
[sciencenorth.on.ca](http://sciencenorth.on.ca)

*Science North is an agency of the Ontario Ministry of  
Citizenship, Culture and Recreation.  
Ce rapport annuel est aussi disponible en français.*



Digitized by the Internet Archive  
in 2022 with funding from  
University of Toronto

<https://archive.org/details/31761114690779>

**Mission Statement:**

The mission of Science North in serving Northern Ontario is to create and market high quality science education and entertainment experiences and products which involve people in the relationship between science and technology and everyday life. Science North provides its customers fun participatory experiences in French and English.

**Strategic Vision:**

Science North will be a leader in the world science centre community by offering rich, continuously changing science experiences based on our Characteristics of Excellence delivered by a credible and dedicated staff.

Science North will operate a quality family entertainment centre for Northern Ontario and invest its profits in the science program.

Science North will create and market outstanding science education products for clients around the world and invest the profits in the science program.



## Fast Facts

Total Attendance .....	406,545
Family/Individual Memberships .....	2,008
Gold (Corporate) Memberships .....	128
Employees.....	64 (permanent)
.....	155 (casual, contract and hourly)
Volunteers.....	125 (11,000 hours)

---

## Education Programs

**School Groups** 53,174 total  
(Science Centre/IMAX Theatre/  
Virtual Voyages/Big Nickel Mine)

**Teacher Workshops** 1,075 teachers

### Northern Community Programs

Discovery Camp	533	children (9 communities)
Revenue Workshops	588	participants
Birthday Parties	601	participants
Overnight Camp-Ins	1,781	participants
Outreach Programs	10,000	participants (5 festivals in Northern Ontario)
	150,000	participants (18 days in Southern Ontario)

## Attendance

Science North	162,613
Science North IMAX Theatre	133,764
Virtual Voyages	58,066
Big Nickel Mine	50,021
Path of Discovery	2,081
Total	406,545

## Letter from the Chair

The Honourable Isabel Bassett  
Minister of Citizenship, Culture and Recreation  
Queen's Park  
Toronto, Ontario

Dear Minister:

On behalf of the Board Trustees, it is my pleasure to submit to you the Annual Report for 1998-99.

Science North remains focused on achieving self-generated revenue and expanding private sector support to maintain our science program initiatives. The centre's business divisions have made excellent progress in international product sales and market development. The centre's staff are conscious of fiscal responsibility and have demonstrated a commitment to developing financial partnerships with local business and corporations, as well as flexibility in reacting to reductions in operating budgets.

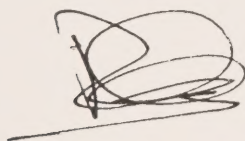
Science North's reputation as a world leader in public science education continues to grow. The best example of positive "word of mouth" was seen in 1998 when Science North Enterprises was approached to develop an original "object theatre" for the multi-million dollar *Spirit of Ford* automotive science and technology centre in Dearborn, Michigan. The Design Studio is the largest contract signed by Science North's product and sales division and will enhance an already impressive sales portfolio.

Production continued on *Gold Fever*, Science North's first large-format film. The centre's entry into the international 15 perf/70 mm film industry has been facilitated by Science North Chief Executive Officer Jim Marchbank who was appointed president of the international Giant Screen Theatre Association in 1999. This part-time, voluntary position holds a two year term and has validated Science North's reputation as a serious player in a global industry.

The Science North Board of Trustees commends Jim Marchbank and all the staff of Science North for their innovation and dedication to improving the financial status of our operations while maintaining excellent science programs both for Sudbury and all of Northern Ontario.

We wish to thank the Minister and the Ministry for your ongoing support and we look forward to working with you as we continue to build on our success as one of the world's leading science centres.

Sincerely,



Risto Laamanen,  
Chair,  
Board of Trustees



## Report from the Chief Executive Officer

Initiatives launched in 1998-99 furthered Science North's ongoing objective to create new sources of revenue that will protect our centre's mission to develop and deliver quality science programs and exhibitions.

In February, 1999, the Ontario government announced it would provide more than \$2.4 million through the Northern Ontario Heritage Fund Corporation (NOHFC) to help establish a butterfly gallery and special exhibits hall at Science North. This most welcome announcement heralds a major advancement in self-generated revenue opportunities and has provided leverage for additional funding sources. The Sudbury Regional Development Corporation and the Regional Municipality of Sudbury have committed \$75,000 to the capital expansion. Science North is now seeking private sponsorship and community fund raising support for the project.

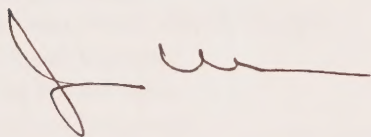
Science North Enterprises, our international marketing and product sales division, continued to improve and expand its product line and client base. Sales in 1998-99 included the sale, development and installation of an original "Red River" object theatre for Sci-Port Discovery Center, a new 67,000-square-foot science centre and IMAX Theatre in Shreveport, Louisiana. Science North Enterprises also began development of an object theatre for *TimeShip 2000*, a collaborative travelling science exhibition developed by Science North, the Ontario Science Centre, the Royal Ontario Museum and the Government of Ontario.

Production of Science North's first large-format film, *Gold Fever*, continued on schedule, on budget and within profit targets for a June, 1999 world premiere at the Science North IMAX Theatre. Creative development is well underway on a second large-format film, *The Jane Goodall Story*. Negotiations are ongoing for a production start on a third film, *Living With the Great Bears*, and topic testing was launched for a fourth film project.

All profits from exhibit and production sales are invested in new exhibit development at Science North. Science North hopes that by 2001, these profits will equal the annual grant for exhibit renewal that was withdrawn by the Ministry in 1996.

Revenue generators enabled the delivery of quality science experiences in 1998-99. The *Mad Lab Science Show*, an original Science North production featuring larger-than-life, wacky science experiments and a "mad" scientist, played to enthusiastic audiences from December to March, 1999. A new *Explore Science Series*, dedicated to bringing top Canadian scientists and explorers to Sudbury for guest lectures, was a huge hit with local and regional audiences.

These accomplishments attest to the talent and dedication of Science North staff, volunteers and Board of Trustees. Science North will continue to evaluate operating practices to remain as efficient as possible and we will capitalize on revenue opportunities to strengthen our science program. We will succeed with the ongoing support of the Ministry and our community.



James Marchbank,  
Chief Executive Officer



## Changing Exhibits, Labs and Theatres

Science North will pursue its vision of being a world leading, changing science centre by renewing a significant portion of its visitor experience annually. This will include developing new labs, new object theatres, new experiences in existing labs, new shows in the Discovery Theatre and additions to the visitor experience like the Butterfly Gallery and the redevelopment of the Big Nickel Mine.

### We achieved:

- New exhibits on air quality and weather in the “Watching the World” exhibit area in the Science Centre.
- A renovated and improved fitness testing area in the Science Centre.
- A new 3-D laser adventure was introduced to audiences in Science North’s underground INCO Cavern during the spring of 1998. *Brain Trek* combines animation and 3-D laser technology to explore the inner workings of the human brain. Following the show, audiences were invited to learn more about the science of three-dimensions through new exhibits in Northern Ontario’s Science Centre.
- In February 1999, the Ontario government announced it would provide more than \$2.4 million through the Northern Ontario Heritage Fund Corporation (NOHFC) to help establish a butterfly gallery and special exhibits hall at Science North. Locally, the Sudbury Regional Development Corporation (SRDC) and the Region of Sudbury committed \$75,000 to the expansion. The new butterfly gallery is a 1,000-square-foot climate-controlled environment that allows visitors to observe free-flying tropical butterflies in a rain forest habitat.
- The Sudbury Regional Development Corporation and Science North unveiled plans for a new major destination attraction for the Sudbury Region. *Dynamic Earth*, the working title of the new attraction, will be created on the site of the former Big Nickel Mine. The *Dynamic Earth* project was launched in response to the Ontario government’s Northern Ontario Heritage Fund Corporation (NOHFC) major destination attractions program. In October 1998, the NOHFC announced it would contribute \$120,000 to the concept and feasibility study for *Dynamic Earth*. Following completion of the study, the City of Sudbury and the Regional Municipality of Sudbury voted unanimously to commit a total of \$3 million to the project, with each council pledging \$1.5 million for future capital construction. *Dynamic Earth* will reflect an authentic northern experience, providing visitors the opportunity to explore the unique geology and rich mining heritage of the Sudbury region through exhibits, theatres and interpretation of the site itself.

## Great Science Events

Science North will annually stage major science events which contribute to a changing science centre, are of sufficient profile and appeal to raise attendance and leave a visitor experience legacy. In 1998-2000, Science North will pursue completion of a special exhibits hall in the arena.

### We achieved:

- The *Mad Lab Science Show*, a new, fast-paced, live presentation created by the staff of Science North, premiered to local audiences in December, 1998. Staff scientists adopted the persona of “mad scientist” during daily shows in Science North’s 250-seat INCO Cavern. Audiences were invited to explore science in their everyday lives – gravity, momentum, inertia, electricity and energy – through such larger-than-life, wacky experiments as the “potato cannon” and the “bowling ball of death”.
- Development of an “Everest Maze” on the Science Centre’s exhibit floors to complement the large format film *Everest* showing at the Science North IMAX Theatre from January to June, 1999. The Maze challenged visitors to overcome a variety of obstacles they would encounter when climbing Mount Everest, as well as highlighting technological advances in the science of mountaineering.
- In February 1999, the Ontario government announced it would provide more than \$2.4 million through the Northern Ontario Heritage Fund Corporation (NOHFC) to help establish a butterfly gallery and special exhibits hall at Science North. Locally, the Sudbury Regional Development Corporation (SRDC) and the Region of Sudbury committed \$75,000 to the expansion. Science North’s new 6,000-square-foot special exhibits hall is a retrofit of the former Bell Grove arena, purchased from the City of Sudbury in 1990. The new hall is large enough to accommodate world calibre travelling science exhibitions that were previously unavailable to Northern Ontario due to lack of exhibit space.
- Science North introduced a new science presenters series in October, 1998. The *Explore Science Series* is dedicated to bringing top Canadian scientists and explorers to Sudbury for guest lectures. Guest presenters included adventurers and photojournalists Gary and Joanie McGuffin, Arctic explorer Richard Weber and Canadian mountaineer Patrick Morrow. The series sold-out the 250-seat Science North INCO Cavern. In 1998-99, the *Explore Science Series* was sponsored by Air Canada and Air Ontario, The Royal Canadian Geographical Society and YMCA Horizons.



## School and Workshop Programs

Science North will pursue opportunities in science and technology education by strengthening its relationships with schools and school boards in Northern Ontario, increasing its primary market school attendance, and focusing efforts on the May/June school market.

### We achieved:

- Increased visitation by local and regional school groups. In 1998-99, the Science Centre, Science North IMAX Theatre, Virtual Voyages Adventure Ride and Big Nickel Mine recorded combined attendance of more than 53,000 students and teachers. This is an increase over a 1997-98 combined attendance total of 41,500 students and teachers.
- New marketing initiatives included distribution of a monthly newsletter to all schools to remind teachers and principals of upcoming events and workshops and advance previews for educators of new IMAX films and science workshops.
- For a tenth consecutive year, les Caisses Populaires de l'Ontario Région de Sudbury purchased school memberships on behalf of Sudbury-area French language students. This initiative is supported by les Caisses Populaires de l'Ontario Région de Alban, Noëlville, St. Charles Borromée and Succursale de Warren. Science North school memberships provide students and teachers with complimentary admission to science workshops, exhibits and special events during the academic year.

## Great Dining Options

Science North will develop its food facilities as key profit generators within its family entertainment centre. The renewal of the Snowflake Restaurant and its restoration to high profitability will be the priority while efforts will continue to achieve continuing profit growth in Mega Bytes, Café Boreal and the function business.

### We achieved:

- The renewal of Science North's Snowflake Restaurant remained a priority. Business and market analysis and conceptual plans were tested and completed. Deadlines were set for design, development and renovation of the new restaurant.
- Mega Bytes, Science North's cafeteria, and Café Boreal, a snack bar located next to the Science North IMAX Theatre, achieved increased per capita revenues during 1998-99. New initiatives included new product packages at Café Boreal for greater appeal to movie-goers and improved product selection at Mega Bytes.

## More Family Entertainment

Science North will use its lobby to improve its family entertainment centre. New IMAX films, Virtual Voyages rides, new evening packages, the addition of a special exhibits hall, and greater integration of food and retail operations will all be combined to pursue greater attendance, revenue and profit.

### We achieved:

- An enhanced family entertainment package during the peak Christmas season by bundling the Science North IMAX Theatre film *The IMAX Nutcracker* with “Toy Land”, a Science Centre special event.
- Completion of business and operations plans for the acquisition of Science North retail operations, Whizards Gift Shop and The Drift Store, previously operated by outside contractors.
- Price packaging of the large format film *Everest* at the Science North IMAX Theatre with the “Everest Maze” in the Science Centre.
- Price packaging of the large format film *Thrill Ride: The Science of Fun* at the Science North IMAX Theatre with *The Ultimate Roller Coaster*, a Virtual Voyages Adventure Ride.
- Plans complete to incorporate the special exhibits hall exit into Whizards Gift Shop.

## Great Large Format Films

Science North will complete production of *Gold Fever*, support our distribution partners in maximizing its exhibition, begin production of *The Jane Goodall Story*, pursue agreement on a production role and creative leadership of *Living With the Great Bears*, and create a concept for a fourth large format film which we will try to finance for production in 2001.

### We achieved:

- Continued production of *Gold Fever*, Science North’s first large-format film production, with a targeted opening of June, 1999. Five giants of the international gold mining industry invested in the project: Barrick Gold Corporation, Homestake Mining Company, Newmont Mining Corporation, Franco-Nevada Mining Corporation Limited and Euro-Nevada Mining Corporation Limited. Science North will retain distribution rights to the film, generating a profit as it is released to an international network of large-format theatres. Science North also profits from the sale of its production services.
- On January 1, 1999, Science North Chief Executive Officer Jim Marchbank began a two-year term as president of the Giant Screen Theatre Association, a world-wide association of 300 large-format theatres and suppliers from 28 countries. He has been a member of the GSTA executive, a part-time voluntary position, since 1994.
- Continued negotiations concerning the production role and creative leadership for *Living With the Great Bears*.
- Creative development of *The Jane Goodall Story*.



## Great Science Product Sales

Science North Enterprises will pursue sales of four new object theatres over the next two years, several sales of Nature Exchange and increased sales of small exhibits and consulting services.

### We achieved:

- Sale, development and installation of an original object theatre for Sci-Port Discovery Center, a new 67,000-square-foot science centre and IMAX theatre in Shreveport, Louisiana. The *Red River Theatre* is a 15-minute, multi-media experience that combines laser disk technology with more than 30 objects to explore the ecology and history of Louisiana's Red River Valley.
- Sale, fabrication and delivery of four interactive science exhibits to the Sci-Port Discovery Center: a drill core xylophone, a delayed speech processor and two vision tests.
- Sale of an exhibit plan to the Cominco Ltd. Interpretative Centre in Trail, British Columbia, including interior and exhibit infrastructure, furniture design and exhibit design. The plan led to a three year contract for exhibit fabrication and installation.
- Sale of a new object theatre to the *Spirit of Ford* automotive science and technology centre in Dearborn, Michigan.
- Sale and development of an object theatre for *TimeShip 2000*, a collaborative travelling science exhibition developed by Science North, the Ontario Science Centre, the Royal Ontario Museum and the government of Ontario.
- Development of *Brain Magic*, an object theatre dedicated to an exploration of human perception. *Brain Magic* is co-produced with the Science Museum of Minnesota.
- Development of *Nature Exchange*, an exhibit of natural collections that encourages responsible collection techniques, appreciation of nature and the fun of expanding a collection by trading with others, for marketing and sale to clients around the world.

## A Financially Stable Business

Science North will take major steps over the next two years to improve its financial stability. The operating reserve fund will be increased significantly. The trend to "collect revenue and profit first, spend later" will be completed. The Science North Foundation will develop a strong annual giving program and start a planned giving program. Sponsorship pursuits will be co-ordinated and targeted and long term sponsorships sought.

### We achieved:

- Completion of 1998/1999 with a surplus to provide operating flexibility in the coming year.
- Inclusion of operating overhead as a budget item in all specially funded projects to recognize and recover the cost of managing and administering these programs.
- A fund raising goal of \$50,000 net profit for science program initiatives.

## A Brand Identity

Science North will plan and implement a marketing approach which establishes a Science North brand identity in its primary and secondary markets. The brand identity will reflect the diverse visitor experiences offered by the centre and be the cornerstone of marketing efforts.

### We achieved:

- A brand identity workshop, attended by a cross-section of experienced, full-time staff, laid the basis for a Science North core-branding model that will be used to evaluate new science exhibits and programs and to market the Science North visitor experience. Work is continuing to further define Science North's evolving role as an educational and entertainment resource and to measure the success of brand identity marketing.

## Great People

Science North will invest in its people and in human resource initiatives which encourage achievement of personal and organizational goals and develop the competencies required of the workers of the future. The centre will undertake a major initiative to dramatically increase its volunteer base and volunteer involvement in the operations of the centre.

### We achieved:

- The introduction of ongoing, in-house technical training programs to upgrade the computer literacy of all full-time, part-time staff and volunteers. Training will continue to be offered on a regular basis to reflect the evolution of computer software and internet technologies.
- The continuation of a commitment to staff training and networking through membership and participation in international associations and conferences including the Association of Science and Technology Centres (ASTC), the American Association for the Advancement of Science, the Giant Screen Theater Association (GSTA) and the European Collaborative for Science, Industry and Technology Exhibitions (ECSITE).
- The continuation of a commitment to developing the business skills of every employee through practical seminars and workshops.
- The development of guiding principles for all employees and improved policies and practices for recruitment and standards.
- The continuation of a commitment to Science North's volunteer program. Science North has 125 volunteers who donate 11,000 hours of service each year.



**Board of Trustees and Committees**

(as of March 31, 1999)

**Science North Board of Trustees**

Risto Laamanen - Chair  
Ron Arnold - Vice Chair  
Desmond Anthony  
Debra Bakker  
Elyse Clements  
James Gordon  
Robert Johnson  
Chris Kallio  
Mark Laberge  
Scott Lund  
Rachel Prudhomme  
James Simmons  
Janice Skot  
André Thibert

**Audit Committee**

Chris Kallio - Chair  
Mark Laberge  
André Thibert

**Executive Committee**

Risto Laamanen - Chair  
Ron Arnold  
Debra Bakker  
James Simmons

**Property & Finance Committee**

James Simmons - Chair  
Ron Arnold  
James Gordon  
Mark Laberge  
Alan Querney  
André Thibert

**Science Program Committee**

Debra Bakker – Chair  
Diane Abols  
Desmond Anthony  
Ernie Checkeris  
Elyse Clements  
Nels Conroy  
Tom Fortin  
John Gunn  
Raymond Guy  
Wilf Meyer  
Jeff Morton  
Rachel Prudhomme  
Joseph Stachulak

**Foundation Board**

Risto Laamanen - Chair  
John Bassett  
Bill Clement  
Mellaney Dahl  
Robert Fera  
Ken Lilley  
Robert Lipic  
Scott Lund  
Todd Plexman  
Lloyd Reed  
Michal Vezina

**Dynamic Earth Steering Committee**

Doug Craig – Chair  
Ron Arnold  
Debra Bakker  
David Langlois  
Rachel Prudhomme

*Board of Trustees and Committees are voluntary positions.*

**Science North Staff**

(as of March 31, 1999)

**James Marchbank**  
Chief Executive Officer  
**Nicole Chiasson**  
Assistant to the CEO  
**Eileen Kotila**  
Administrative Assistant  
**David Pearson**  
Associate Director

**Colleen Zilio**  
Director of Science Program  
**Carolyn Thain**  
Director of Corporate Services  
**Brenda Tremblay**  
Director of Sales & Marketing

**Alan Nursall**  
**Jennifer Pink**  
Senior Scientists

**Chantal Barriault**  
**Roger Brouillette**  
**Louise Bergeron**  
**Mia Boiridy**  
**Nancy Chartrand**  
**Charles Contant**  
**Perry Gauthier**  
**Amanda Jopling**  
**Erik Labrosse**  
**John Large**  
**Franco Mariotti**  
**Kathy McDonald**  
**Julie Moskalyk**  
**Teresa Roy**  
**Wendy Runions**  
**Cathy Stadder Wise**  
Staff Scientists

**Norma Henry**  
Event Coordinator

**Brenda Koziol**  
Big Nickel Mine Manager

**Gabriel Trudel**  
Manager, Technology Services  
**Tasio Gregorini**  
**Jason Majkot**  
**Kevin McArthur**  
Technologists

**Rob Gagné**  
Producer

**David Lickley**  
Senior Producer, Large Format  
Films

**Audrey Dugas**  
Executive Director, Science North  
Foundation

**Rick MacKenzie**  
Sales & Business Development  
Manager  
Science North Enterprises

**Gina Barberio**  
Accountant  
**Denise McChesney**  
Accounts Payable Clerk  
**Pierrette Lemieux**  
Finance Clerk

**Denise Fera**  
Human Resources Manager  
**Suzanne Desloges**  
Human Resources Assistant

**Ron Lalancette**  
Physical Services Manager  
**Mark Gibson**  
**Paul Loiselle**  
**Bill Mann**  
Maintenance Technicians  
**Lazare Ferron**  
**Don Greco**  
Carpenters

**Dave Kelly**  
Systems Engineer

**Patricia McCauley**  
Marketing & Communications  
Specialist  
**Marco Smith**  
Marketing & Sales Officer  
**Chloe Gordon** (*on leave*)  
**Wendy Cormie**  
Marketing Executives  
**Diane Drinkwater**  
Chief Designer  
**Astrid Colton**  
**Mireille Wright**  
Graphic Artists

**Lisa Heffern**  
Sales & Operations Manager  
**Diane Rossi**  
**Carey Roy**  
Sales Leaders

**Gillian Taillefer**  
Supervisor, Retail Operations

**Sandra Young**  
Food Services Manager  
**Withold Goldgruber**  
Executive Chef  
**Thorsten Von Estorff**  
Restaurant Chef

*The Public Salary Disclosure Act, 1996, requires disclosure that an annual salary of \$105,976, plus taxable benefits of \$8,155 was paid to James Marchbank, Chief Executive Officer in 1998.*



Financial Statements of  
**SCIENCE NORTH**  
Year ended March 31, 1999

**AUDITORS' REPORT**

To the Honourable Minister of Citizenship, Culture and  
Recreation of the Province of Ontario and  
the Board of Trustees of **Science North**

We have audited the balance sheet of **Science North** as at March 31, 1999 and the statements of operations and changes in fund balances and cash flow for the year then ended. These financial statements are the responsibility of Science North's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Science North as at March 31, 1999 and the results of its operations, changes in fund balances and the cash flow for the year then ended in accordance with generally accepted accounting principles.

**KPMG** LLP

Chartered Accountants

Sudbury, Canada

May 20, 1999

# Balance Sheet

March 31, 1999, with comparative figures for 1998

	General	Capital Asset	Restricted	1999 Total	1998 Total
<b>Assets</b>					
Current assets:					
Cash and short-term investments	\$ 813,935	—	—	813,935	148,636
Accounts receivable	789,851	—	832,448	1,622,299	653,044
Prepayments and inventory	280,373	—	—	280,373	148,362
Interfund accounts	(124,411)	13,098	111,313	—	—
	1,759,748	13,098	943,761	2,716,607	950,042
Other assets:					
Long-term investments	—	—	1,472,165	1,472,165	944,461
Accrued interest receivable	—	—	62,365	62,365	240,643
Deferred charges	53,060	—	—	53,060	26,246
	53,060	—	1,534,530	1,587,590	1,211,350
Capital assets (note 2)	—	22,103,711	—	22,103,711	23,550,879
	\$ 1,812,808	22,116,809	2,478,291	26,407,908	25,712,271

## Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 824,796	—	—	824,796	612,881
Deferred revenue	1,061,000	—	—	1,061,000	42,341
Current portion of loans payable (note 3)	—	13,098	—	13,098	14,980
	1,885,796	13,098	—	1,898,894	670,202
Long-term debt:					
Loans payable (note 3)	—	907,759	—	907,759	920,857
Interfund loan (note 4)	—	390,322	(390,322)	—	—
	—	1,298,081	(390,322)	907,759	920,857
Fund balances:					
General	(72,988)	—	—	(72,988)	5,612
Capital asset	—	20,805,630	—	20,805,630	22,109,702
Restricted (note 5)	—	—	2,868,613	2,868,613	2,005,898
	(72,988)	20,805,630	2,868,613	23,601,255	24,121,212
Commitments and contingent liabilities (note 6)					
	\$ 1,812,808	22,116,809	2,478,291	26,407,908	25,712,271

See accompanying notes to financial statements.

# Statement of Operations and Changes in Fund Balances

Year ended March 31, 1999, with comparative figures for 1998

	General		Capital Asset		Restricted		Total	Total
	1999	1998	1999	1998	1999	1998	1999	1998
Revenue:								
Province of Ontario grants:								
Operating	\$ 2,806,200	2,806,200					2,806,200	2,806,200
Specific	303,743	232,207	120,000				423,743	232,207
	3,109,943	3,038,407	120,000	-	-	-	3,229,943	3,038,407
Government of Canada grants	13,336	73,716	67,500				80,836	73,716
Admissions:								
IMAX Theatre	845,446	959,144					845,446	959,144
Science Centre	629,235	631,270					629,235	631,270
Big Nickel Mine	275,696	241,129					275,696	241,129
Virtual Voyages	261,968	305,593					261,968	305,593
Workshop programs	154,019	230,161					154,019	230,161
Memberships	222,385	224,590					222,385	224,590
Business operations:								
Food sales	1,247,617	1,273,115					1,247,617	1,273,115
Exhibit sales					1,166,112	258,583	1,166,112	258,583
Film production services					634,592	480,000	634,592	480,000
Gift shop commissions	86,024	89,908					86,024	89,908
Parking	55,150	54,574					55,150	54,574
Gifts and donations	108,395	108,439	74,948	215,294	10,000	-	193,343	323,733
Other revenues:								
Interest earned	56,221	30,941			149,975	197,020	206,196	227,961
Miscellaneous	140,581	69,250			17,107	17,107	157,688	86,357
	4,082,737	4,218,114	74,948	215,294	1,977,786	952,710	6,135,471	5,386,118
	7,206,016	7,330,237	262,448	215,294	1,977,786	952,710	9,446,250	8,498,241
Expenses:								
Science program:								
Science Centre operations	1,580,132	1,434,711			21,157	1,443	1,601,289	1,436,154
Outreach programs	127,258	562,814					127,258	562,814
Big Nickel Mine	194,069	175,243					194,069	175,243
Business operations:								
IMAX Theatre	834,479	971,184					834,479	971,184
Virtual Voyages	145,390	165,990					145,390	165,990
Food service	1,005,142	1,036,638					1,005,142	1,036,638
Box office and sales	484,882	490,946					484,882	609,182
Maintenance and building	738,544	729,622			25,409	50,115	763,953	779,737
Cost of exhibit sales					968,608	307,632	968,608	307,632
Cost of film services					192,891	200,000	192,891	200,000
Administrative support	964,113	866,889					964,113	748,653
Marketing and development	598,786	624,390					598,786	624,390
Program technical support	131,506	112,490					131,506	112,490
Depreciation			1,953,841	2,094,509			1,953,841	2,094,509
Total expenses	6,804,301	7,170,917	1,953,841	2,094,509	1,208,065	559,190	9,966,207	9,824,616
Excess of revenue over expenses (expenses over revenue)	401,715	159,320	(1,691,393)	(1,879,215)	769,721	393,520	(519,957)	(1,326,375)
Fund balances, beginning of year	5,612	(255,650)	22,109,702	23,776,364	2,005,898	1,926,873	24,121,212	25,447,587
Net change in capital asset fund (note 7)	(236,098)	(212,553)	387,321	212,553	(151,223)	-	-	-
Interfund transfers (note 8)	(244,217)	314,495	-	-	244,217	(314,495)	-	-
Fund balances, end of year	\$ (72,988)	5,612	20,805,630	22,109,702	2,868,613	2,005,898	23,601,255	24,121,212

See accompanying notes to financial statements.



## Statement of Cash Flow

Year ended March 31, 1999, with comparative figures for 1998

	1999	1998
<b>Cash provided by (used in):</b>		
Operations:		
Excess of expenses over revenue	\$ (519,957)	(1,326,375)
Depreciation which does not involve cash	1,953,841	2,094,509
	1,433,884	768,134
Changes in non-cash operating working capital	129,308	(950,894)
	1,563,192	(182,760)
Financing and investing:		
Additions to capital assets	(506,673)	(1,424,746)
Repayment of loans payable	(14,980)	(8,441)
Increase in other assets	(376,240)	—
Decrease in other assets	—	907,223
Increase in long-term debt	—	500,000
	(897,893)	(25,964)
Increase (decrease) in cash and short-term investments	665,299	(208,724)
Cash and short-term investments, beginning of year	148,636	357,360
<b>Cash and short-term investments, end of year</b>	<b>\$ 813,935</b>	<b>148,636</b>

See accompanying notes to financial statements.

# Notes to Financial Statements

Year ended March 31, 1999

---

Science North is an Agency of Her Majesty created under the Science North Act, 1986 by the Ontario Legislative Assembly. The principal activity of Science North is to create and market high quality science education and entertainment experiences and products which involve people in the relationship between science and technology and everyday life.

## 1. Significant accounting policies:

### (a) Fund Accounting:

Because Science North receives funding for operational and special purposes, the financial statements are presented in a manner which segregates the following funds:

- General fund, which presents the day-to-day demonstrative, business, administrative and maintenance operations of Science North.
- Capital fund, which presents the assets, liabilities, revenues and expenses related to Science North's capital assets.
- Restricted fund, which presents the assets, liabilities, revenues and expenses which are restricted as to purpose and expendability and set aside by either the Board of Trustees, the Province of Ontario or other benefactors.

### (b) Revenue recognition:

Science North follows the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- Contributions including pledges and donations are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.
- Revenue on contracts is recognized using the percentage-of-completion method. The percentage is determined by relating the actual cost of work performed to date to the current estimated total cost for each contract. Projected losses, if any, are recognized immediately for accounting purposes.

# Notes to Financial Statements

Year ended March 31, 1999

## 1. Significant accounting policies (continued):

### (c) Capital assets:

With the exception of the Bell Grove land which is recorded at nominal value, property and equipment are stated at cost or fair market value if donated.

Depreciation on buildings is provided on the declining-balance basis at the annual rate of 5%.

Depreciation on exhibits and equipment is provided on the straight-line basis at annual rates ranging from 10% to 20%.

### (d) Investment income:

Science North allocates investment income earned on the following bases:

on general funds	- to the General Fund
on restricted funds	- to the Restricted Fund

## 2. Capital assets:

	1999		1998	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Buildings:				
Bell Grove	\$ 32,982,566	14,534,520	32,800,476	13,563,570
Big Nickel Mine	2,889,125	1,422,990	2,889,125	1,341,538
Exhibits and equipment:				
Bell Grove	16,273,159	14,235,234	16,103,409	13,385,911
Big Nickel Mine	399,492	247,887	244,659	195,771
	52,544,342	30,440,631	52,037,669	28,486,790
Less accumulated depreciation	30,440,631		28,486,790	
	\$ 22,103,711		23,550,879	

## 3. Loans payable:

Two non-interest bearing loans are payable to the Province of Ontario. The first loan of \$435,837 is repayable in annual installments, due June 30 each year, equal to 50% of the average annual profits from the IMAX theatre for the previous two fiscal years. The second loan of \$485,020 is repayable in annual installments, due May 1 each year, equal to 5% of revenues from the virtual voyages motion simulator ride during the year. The balance, if any, is due May 1, 2008.



## Notes to Financial Statements

Year ended March 31, 1999

### 4. Interfund loan:

The interfund loan is a loan from the Restricted Fund to the Capital Fund relating to the virtual voyages motion simulator ride which bears interest at 6.95% and is repayable over 7 years which commenced July 1, 1997.

### 5. Restricted fund:

The restricted fund is comprised of the following:

	1999	1998
Externally restricted:		
Capital renewal fund	\$ 1,678,515	1,650,856
Program and exhibit funds	698,272	134,596
	2,376,787	1,785,452
Internally restricted:		
Funds:		
Waterfront development	84,498	61,808
Other	177,720	9,315
Reserves for replacement of capital assets	229,608	149,323
	491,826	220,446
Total	\$ 2,868,613	2,005,898

### 6. Commitments and contingent liabilities:

- (a) Science North is the creator and executive producer of a large format film on the subject of gold. An arms length company has been established to produce the film and Science North is participating in the project in three ways. It has been retained to provide production services for which it will be paid at industry rates, it owns the exclusive world-wide film distribution rights and it retains exhibition rights for its own theatre.

Science North has guaranteed to arrange funding of \$1.4 million for the completion of film production through a variety of means. Until such funding is completed, Science North has agreed to loan up to this amount, as needed, with interest at prime plus 2%. At March 31, 1999, \$1 million of the accounts receivable balance represents amounts owing from the company.

Science North is committed to expend not less than \$700,000 in distribution expenses, fully recoupable in first position from all film distribution revenues, of which, to date \$74,600 has been expended.

Science North has guaranteed the completion of the film and is liable to the investors in the film for their investments and costs. At year end, the film is 90% complete, on schedule and on budget.

# Notes to Financial Statements

Year ended March 31, 1999

---

## 6. Commitments and contingent liabilities (continued):

- (b) During the year, Science North undertook a planning study to develop a major new destination attraction at the Big Nickel Mine site tentatively called Dynamic Earth. If undertaken, the capital cost of the project would exceed \$20,000,000. Subsequent to year end, funding commitments for the project totalling \$3,000,000 have been obtained. Development of this project is dependent on funding.
- (c) Approximately \$2,500,000 in funding was approved during the year to develop a butterfly gallery and special exhibits hall at the Bell Grove site. The total project cost will approach \$4,000,000 and additional funding will be secured in the coming year. The deficit in the General Fund reflects \$100,000 spent to date on architectural plans. The project will be completed in 2000.
- (d) Science North has issued a \$250,000 letter of credit to its payroll service provider.

## 7. Net change in Capital Asset Fund:

The net change in Capital Asset Fund is comprised of the net unrestricted transfer from the operating fund and from the restricted fund to the Capital Asset Fund for the purchase of capital assets.

## 8. Interfund transfers:

The interfund transfers are comprised of:

- a) net assets of \$29,300 which were internally allocated from the Restricted Fund to the General Fund, representing \$29,300 (1998, \$108,397) to cover certain programming expenditures, and \$nil (1998, \$280,000) in profits from film distribution to cover the purchase of science program equipment,
- b) net assets of \$105,863 (1998, \$73,902) which were internally allocated from the General Fund to the Restricted Fund for future capital acquisitions, and
- c) net assets of \$167,653 (1998, \$nil) which were internally allocated from the General Fund to the Restricted Fund to cover future operational expenditures.

## 9. Comparative figures:

Certain comparative figures have been restated to conform with the presentation adopted in 1999.



## Notes to Financial Statements

Year ended March 31, 1999

---

### 10. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 date is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.









3 1761 11469077 9

